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16 July 2002

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: BellSouth Corp. Alabama/Kentucky/Mississippi/North Carolina/South Carolina, CC
Docket No. 02-150

Dear Ms. Dortch:

On July 10, 2002, BellSouth filed with the Commission an ex parte submission in the above-referenced docket. In that filing, BellSouth purports to explain away and dismiss several outstanding exceptions identified by KPMG in its testing of BellSouth's OSS for the Florida Public Service Commission. For the reasons explained below, the Commission should not accept BellSouth's attempt to lead it to ignore the very serious OSS deficiencies KPMG's testing brings to light. Instead, because the Commission has already accepted BellSouth's contentions that its OSS is region-wide, the Commission should hold BellSouth to its words. Accordingly, the Commission should recognize the non-checklist-compliant processes and performance KPMG's testing reveal in the states for which BellSouth seeks 271 authorization in this docket.

First of all, the Commission should reject BellSouth's reasoning that non-checklist-compliance in merely 3% of KPMG's evaluation criteria constitutes a 97% "success rate," and that the Commission should therefore ignore the evaluation criteria BellSouth fails. Because competitive LECs require all stages of OSS to work properly in order to successfully place orders and serve their customers, deficiencies at any stage can severely impact competitors' ability to provide service, and in some cases prevent them from providing service at all. In this instance, the exceptions identified by KPMG illustrate outstanding deficiencies at critical points in BellSouth's OSS for competitive LECs, deficiencies which BellSouth has not yet taken adequate steps to address.

The Commission must not credit BellSouth's attempt to explain away KPMG's exception #88 to BellSouth's change management process. BellSouth claims that it has proposed amendments to its Change Control Process that satisfy KPMG's concerns. BellSouth further argues that CLEC refusal to adopt this "improved" process is the cause

of KPMG's keeping this exception open.¹ As an initial matter, the Commission should note that KPMG's draft report contains no such assignment of blame to CLECs for the failure of BellSouth to implement its own change management proposals. Furthermore, and more importantly, the Commission must recognize that KPMG's exception arises from the numerous, substantive deficiencies in BellSouth's change management process that KPMG has catalogued since this exception was first opened one year ago.² The fact that BellSouth's Change Control Process proposal recognizes the extent of the deficiencies uncovered in KPMG's testing does nothing to change the performance Covad actually experiences in BellSouth's current Change Control Process.

As detailed in Covad's comments on this issue, over six months ago Covad introduced Change Request 621 in order to obtain circuit identification information for its mechanized line shared loop orders. Until this change is implemented, Covad is left with two, equally untenable options when it orders a Line Shared Loop: either (a) resort to an expensive and time-consuming process to manually extract circuit ID information from BellSouth's databases; or (b) forgo the ability to verify that BellSouth is billing Covad correctly.³ Despite the serious nature of this problem and despite the fact that BellSouth itself has (finally) declared this to be a defect in its OSS, Covad's Change Request continues to languish in change management to this day, without any implementation schedule from BellSouth.

Meanwhile, in May of this year BellSouth speedily instituted an implementation schedule for an analogous change request to its Local Number Portability Interface, a change request that BellSouth had opened itself only one week earlier.⁴ However good BellSouth claims its proposed process looks on paper, the actual performance CLECs experience illustrates that BellSouth's Change Control Process continues to fail to provide competitors a meaningful opportunity to compete. BellSouth's change management process certainly fails to satisfy the 271 checklist if it allows BellSouth to rapidly implement its own proposed OSS changes while ignoring competitors' analogous requests.

BellSouth's reply to KPMG's exception 123 is particularly disturbing. KPMG's exception finds that BellSouth is not following its own policies in classifying CLEC-affecting changes as OSS "Defects." Covad notes that, unless BellSouth properly and timely performs this crucial step, CLEC change management requests simply languish. In fact, this is exactly what happened to Covad's Change Request 621. It took BellSouth four months – until May of this year – simply to classify its serious OSS defect as that, namely a "Defect." (Of course, two months later, BellSouth still has not indicated when

¹ BellSouth July 10 Ex Parte Letter at 2-3.

² See <http://www.psc.state.fl.us/industry/telecomm/oss/exceptions.cfm> (Exception 88).

³ See Covad Comments at 14-15.

⁴ See Covad Comments at 20-22.

and how it intends to actually fix this “Defect.”⁵ BellSouth believes that its “revised internal documentation ... job aid and ... employee training” should all but make KPMG’s exception disappear.⁶ If only they could similarly make disappear BellSouth’s inability to correctly classify CLEC change requests according to its own change management policies.

Similarly, the Commission must not be swayed by BellSouth’s claims of meeting its flow-through performance benchmarks. The critical fact is that BellSouth has simply failed to implement flow-through processes for several types of loop orders, such as the UCL-ND loop,⁷ ADSL loops with conditioning, and Line Shared Loops,⁸ despite its claims during the consideration of its Georgia/Louisiana applications.⁹ The order approving BellSouth’s Georgia/Louisiana application specifically notes BellSouth’s commitment to implement electronic ordering with flow-through processing for its UCL-ND loop in July 2002.¹⁰ Sadly, BellSouth has failed to meet this commitment, and keeps pushing off implementation of flow-through processing of this loop type.¹¹ The Commission must not allow BOC applicants to say one thing to the Commission in order to obtain approval of their 271 applications, and then proceed to let them do quite another. The Commission should make BellSouth live up to its stated commitments before approving another of its 271 applications.

Finally, Covad submits that, with respect to KPMG’s exception #157, BellSouth’s reply itself illustrates the manner in which its change management processes impede competitive entry. BellSouth admits that it focuses its testing of new releases on changes affecting high volume product categories – such as, for example, services based on UNE-P. Meanwhile, BellSouth has made an active decision not to perform testing on its new releases affecting low-volume product categories, such as many of Covad’s xDSL products. Thus, competitors unlucky enough to serve niche or growing markets are relegated to submitting actual orders and having them fail, in order to verify that BellSouth’s new releases in fact do not work. Under BellSouth’s policy, competitive entrants are forced to serve as the guinea pigs for BellSouth’s OSS releases. And,

⁵ See Covad Comments at 22.

⁶ BellSouth July 10 Ex Parte Letter at 3.

⁷ Unbundled Copper Loop – Non-Designed.

⁸ Although BellSouth will claim to have implemented a flow-through process for the ordering of Line Shared Loops, the defect identified by Change Request 621 and discussed above gives lie to this claim. Because of this defect, Covad is forced to resort to a manual process to actually complete the ordering sequence for Line Shared Loops. Accordingly, this defect prevents the process from being fully mechanized as it was intended to be.

⁹ See Covad Comments at 9.

¹⁰ BellSouth Georgia/Louisiana II Order, para. 149 and fn. 532.

¹¹ See Covad Comments at 12.

naturally, BellSouth's testing policy helps impede them from building high-volume businesses at all. BellSouth's stated policy is simply an inadequate response to the defects brought to light by KPMG's testing of BellSouth's change management processes. The Commission must not allow BellSouth to obtain 271 authorization in any more states until it reforms this discriminatory testing policy.

Respectfully submitted,

/s/ Praveen Goyal

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